

and the courage, the prudence or the loyalty to resist the influence of their vice-assessor organ, the *Atlanta*, and of the free-press politicians whom they sustained and encouraged.

The map of Memphis, which we publish to-day, will give our readers a fair idea of the general plan of the city and the rebel fortifications that have been erected on the river bank just above it. The principal business street is Main street, one of the features of which is a handsome quadrangle, called Court square, which contains a noble statue of General Jackson, and is described by the following motto, "The Union, it must and shall be preserved." Last May an infuriated mob trampled in the dust and stamped upon the United States flag opposite this very statue. The finest buildings on this street are occupied as shoe and clothing factories for the rebel government. In the Adams block, a range of iron buildings, there are twelve sewing machines constantly at work making clothing for the soldiers. Hundreds of ladies give their time and labor to this work. All the negro women who have any skill at sewing are employed in another clothing factory in the Gayoso building (not to be confused with the Gayoso House). The Gayoso House, a magnificent building, which stands on the bluff, quite close to the river side, derives its chief patronage now from the crowds of officers who come in from the neighboring camps. General Polk has his headquarters here. The Overton House, a new and elegant building, leased to a gentleman from Philadelphia, formerly proprietor of the Girard House, stands unoccupied, but it is to be converted into a hospital for the accommodation of the sick soldiers. Sickens in the camp was fairly on the increase, so much so as to keep two hospitals crowded, besides a number of private houses.

Here, as elsewhere through the South, the most ardent secessionists are Indians. They have formed societies for the forwarding of the rebel cause. The old ladies met at Old Fellows' Hall, on Court square, where they look after the wants of volunteers from all the States. They provide clothing for them, furnish and mend linen, and look after their wants generally. They style themselves "The Society of Southern Mothers." Other ladies have constituted themselves into sewing societies, knitting societies and spinning societies, the latter manufacturing a coarse description of cloth. Some ladies are carried as far by their enthusiasm for the rebellion as to form societies for practicing the use of firearms, in order, as they say, to be able to protect their homes in the absence of the male population, in case of negro insurrection. It would be impossible to describe fully the reign of terror which exists in Memphis. Not a word dare be uttered in condemnation of any act of the rebel government, however arbitrary; not a word in favor of the people of the North. The most bitter curses and denunciations, and foulmouthed epithets are heaped upon the whole Northern people, and the charitable was to be able to poison all that is ever in their hearts and consistently on their lips.

There is undoubtedly a large class of the community that is heavily sick of this reign of terror, and who would gladly see an end put to it; but they are powerless and terrified in the universal madness. Besides, they have been discouraged by the powerlessness of the national arms in Missouri, and the abandonment of Union men in Eastern Tennessee and elsewhere.

There are two grounds in Memphis for the casting of cannon and balls, but the arms turned out here are of very inferior quality. It required over a week's experimenting before they succeeded in casting bombs. The navy yard, established at great expense by the general government, but abandoned many years ago on account of its utter uselessness, and which, with all its buildings, Congress generously donated to the city, is now occupied as a foundry and gun carriage manufactory.

The daily newspapers, now reduced to three, and reduced in size, issue, besides their morning editions, small evening extras, which sell at five cents. Printing paper is very scarce. What there is of it comes from Nashville. The publishing house of Feidig & Co. has issued a fourth edition of "Hardee's Tactics." There are besides a great number of English and French military books in the city. The stocks of all sorts of arms in Memphis are long since entirely exhausted.

Immediately after the battle of Bull Run, which seemed to frenzy the community to the highest point and to deprive them of the last vestige of common sense, they became possessed of an absorbing desire to see Cairo by a sudden movement, and would have at least made the attempt had it not been reinforced by General Fremont. The streets and bluff in Memphis were all barricaded with cotton bales, protected by a revetment of planks, but the barricades have all been removed, with the exception of that at the foot of Madison street. They were removed by General Polk when he took command.

The only earthworks thrown up by the rebels at Memphis are just above the city, at the mouth of the Wolf river. This is called Fort Pillow. It mounts six cannon and two mortars, and is sheltered by an abatis of cottonwood trees. It is not of very formidable strength, and is liable to be washed away by an overflow of the Mississippi.

Within a week after the fall of Fort Sumter, and before the occupation of Cairo by Union troops, this system of Mississippi fortifications was commenced under the superintendence of General Pillow. It was he who suggested the selection of the first and second Chickasaw bluffs as the location of the principal fortifications. But strong and extensive as these works are, we think it possible that they have not been erected on account, so far as stopping an expedition down the river is concerned, of the troops can be landed on the Arkansas side of the river, at some distance above those works that are too strong to be carried, and marched to a point below them, while the iron-clad gunboats, having landed their troops, can run the gauntlet of the forts, or they may land on the Tennessee side and storm the forts in the rear. At all events we have done our part towards furnishing information that will be of advantage to the Union cause; it will be for the principal officers of the expedition to profit by the facts and hints we have given.

Booksellers' Winter Parcel Sale.

The catalogue of the parcel sale, to commence to-day, has been issued. It contains a little over one hundred and fifty pages, embracing lists from some of the principal houses in the trade, and opens with that of J. Hogg & Sons, of London, followed by those of Clark, Austin & Co., and Dick & Fitzgerald, of this city. J. B. Lippincott & Co., of Philadelphia, have a fine invoice of good books, occupying eight pages, and consisting of several works of a miscellaneous character, including Freese's Works, Waverley Novels, Elster's Biography of Dr. Keane, Great Treatise by Great Authors, Jewell's, &c. Among the military books are "Hardee's Tactics," "The United States Infantry Tactics," "Cavalry Tactics," "Instruction in Field Artillery," General McClellan's "Armies of Europe," McClellan's "Regulations and Instructions for the Field Service of the United States Cavalry in Time of War," "European Cavalry," by the same author, and several other military works of a like nature. This list was followed by those of Brown & Taggart, of Boston; DeWitt of New York; Butler & Co. of Philadelphia; and Little, Brown & Co. of Boston. D. Appleton & Co.'s list embraces seven pages, and contains a good assortment of their stock. This is followed by Gregory's list, eight pages; Fulton's, four pages; Gowen's, four pages; and Ward & Parry's, nearly ten pages. These, with a few small invoices interspersed, form the first day's sale. The remaining days will be occupied with invoices of holiday books, &c.

Judging from the success that attended the fall sale, there seems to be but little doubt that the catalogue will produce good results to buyers as well as sellers.

Message of the Governor of Delaware.

The Legislature of Delaware assembled at Dover in extraordinary session on Monday, 28th ult. On Tuesday Gov. Burton sent in his message, which relates entirely to the national troubles and the position of the State in relation thereto. The message opened as follows:

"It is with unforgotten regret that I cannot address you with the usual congratulations on the peace, prosperity and happiness of the country; but notwithstanding it is unfortunately involved in a civil war, one of the most deplorable calamities that can befall any country, we have great reason to render thanks to the Ruler of the Universe that Delaware is not the scene of action, and that we are not in the midst of its horrors and terrible ravages. Our citizens have been noted in a manner highly creditable to them, and well deserve the quietude and repose in the way of the government, nor abating its enemies any sort of aid. Some of the unnumberable rumors about the country, that have been spread, represent a different state of things; but the fact of the truth positively applied to these reports, most of them would be found wholly untrue. The Governor desires to discuss the causes that led to the war, and to propose extra sessions of Congress. He also makes mention of the late seizure of arms by military officers without the usual establishing forms, and recommends that bills be passed relieving the State officers charged with the custody of the same of any responsibility hereafter. The message concludes by expressing the desire that the Legislature continue its action to relieve the State from all other evils, and not at this time to enter into general legislation.

STATE OF THE COUNTRY.

THE PRESIDENT'S MESSAGE.

The Reports of the Navy, Post Office and Interior Departments.

Splendid Array of Facts for the People.

How an Effective Navy Can Be Improvised.

Six Hundred and Fifty Thousand Union Troops in the Field.

OUR PUBLIC DOMAIN.

Improvement in the Post Office Department, &c., &c., &c.

THE PRESIDENT'S MESSAGE.

FELLOW CITIZENS OF THE SENATE AND HOUSE OF REPRESENTATIVES:

In the midst of unprecedented political troubles we have cause of great gratitude to God for good health and most abundant harvests.

You will not be surprised to learn that, in the peculiar exigencies of the times, our intercourse with foreign nations has been attended with profound solicitude, chiefly turning upon our own domestic affairs. A disloyal portion of the American people have, during the whole year, been engaged in an attempt to divide and destroy the Union. A nation which endures factious domestic divisions is exposed to disrespect abroad, and one party, if not both, is sure, sooner or later, to invoke foreign intervention. Nations thus tempted to interfere are not always able to resist the councils of seeming expediency and ungenerous ambition, although measures adopted under such influences seldom fail to be unfortunate and injurious to those adopting them.

THE REBEL INVOCATION OF FOREIGN AID.

The disloyal citizens of the United States, who have aided the ruin of our country in return for the aid and comfort which they have invoked abroad, have received less patronage and encouragement than they probably expected. If it were just to suppose, as the insurgents have so often assumed, that foreign nations, in this case, discarding all moral, social and treaty obligations, would act solely and selfishly for the most speedy restoration of commerce, including especially the acquisition of cotton, those nations appear as yet not to have seen their way to their object more directly or clearly through the destruction than through the preservation of the Union. If we could dare to believe that foreign nations are actuated by no higher principle than this, I am quite sure a second argument could be made to show them that they can reach their aim more readily and easily by aiding to crush this rebellion than by giving encouragement to it.

THE QUESTION OF INTERNATIONAL COMMERCE.

The principal lever relied on by the insurgents for exciting foreign nations to hostility against us, as already intimated, is the embarrassment of commerce. Those nations, however, not improbably saw from the first that it was the Union which made as well our foreign as our domestic commerce. They can scarcely have failed to perceive that the effort for disunion produces the existing difficulty, and that one strong national promise more durable peace, and a more extensive, valuable and reliable commerce than can the same nation broken into hostile fragments.

COAST AND GENERAL PUBLIC DEFENCES.

It is not my purpose to review our discussions with foreign States, because, whatever might be their wishes or dispositions, the integrity of our country and the stability of our government mainly depends not upon them, but on the loyalty, virtue, patriotism and intelligence of the American people. The correspondence itself, with the usual reservations, is herewith submitted. I venture to hope it will appear that we have practised prudence and liberality towards foreign Powers, averting causes of irritation, and, with firmness, maintaining our own rights and honor. Since, however, it is apparent that here, as in every other State, foreign dangers necessarily attend domestic difficulties, I recommend that adequate and ample measures be adopted for maintaining the public defences on every side, while, under this general recommendation, provision for defending our coast line readily occurs to the mind. I also, in the same connection, ask the attention of Congress to our great lakes and rivers. It is believed that some fortifications and depots of arms and munitions, with harbor and navigation improvements at well selected points upon these, would be of great importance to the national defence and preservation.

I ask attention to the views of the Secretary of War, expressed in his report upon the same general subjects.

MILITARY RAILROAD BETWEEN THE LOYAL PARTS OF TENNESSEE, NORTH CAROLINA, KENTUCKY, &c.

I deem it of importance that the loyal regions of East Tennessee and Western North Carolina should be connected with Kentucky and other faithful parts of the Union by railroad. I therefore recommend, as a military measure, that Congress provide for the construction of such road as speedily as possible. Kentucky will no doubt co-operate, and through her Legislature make the most judicious selection of a line. The northern terminus must connect with some existing railroad; and whether the route shall be from Lexington or Nashville to the Cumberland Gap, or from Lebanon to the Tennessee line, in the direction of Knoxville, or on some still different line, can easily be determined. Kentucky and the general government co-operating, the work can be completed in a very short time; and when done, it will not only be of vast present usefulness, but also a valuable permanent improvement, worth its cost in all the future.

NEW FOREIGN TREATIES.

Some treaties, designed chiefly for the interests of commerce, and having no great political importance, have been negotiated, and will be submitted to the Senate for their consideration. Although we have failed to induce some of the commercial Powers to adopt a desirable melioration of the rigor of maritime war, we have removed all obstructions from the way of this humane reform, except such as are merely of temporary and accidental occurrence.

THE DETENTION OF THE BRITISH SHIP PERTHSHIRE.

I invite your attention to the correspondence between Her Britannic Majesty's Minister, accredited to this government, and the Secretary of State, relative to the detention of the British ship *Pertshire*, in June last, by the United States steamer

Massachusetts, for a supposed breach of the blockade. As this detention was occasioned by an obvious misapprehension of the facts, and as justice requires that we should commit no beligerent act not founded in strict right, as sanctioned by public law, I recommend that an appropriation be made to satisfy the reasonable demand of the owners of the vessel for her detention.

SURPLUS OF CLAIMS AGAINST CHINA.

I repeat the recommendation of my predecessor, in his annual Message to Congress in December last, in regard to the disposition of the surplus which will probably remain after satisfying the claims of American citizens against China, pursuant to the awards of the Commissioners under the act of the 3d of March, 1859. If, however, it should not be deemed advisable to carry that recommendation into effect, I would suggest that authority be given for investing the principal over the proceeds of the surplus referred to in good securities, with a view to the satisfaction of such other just claim of our citizens against China as are not unlikely to arise hereafter in the course of our extensive trade with that empire.

PROTECTION OF COMMERCE ON THE SEAS FROM PRIVATEERS.

By the act of the 5th of August last Congress authorized the President to instruct the commanders of suitable vessels to defend themselves against and to capture pirates. This authority has been exercised in a single instance only.

For the more effectual protection of our extensive and valuable commerce, in the Eastern seas especially, it seems to me that it would also be advisable to authorize the commanders of sailing vessels to recapture any prizes which pirates may make of the United States vessels and their cargoes, and the General Courts, established by law in Eastern countries, to adjudicate the cases, in the event that this should not be objected to by the local authorities.

RECOGNITION OF THE SOLEIGNMENT OF HAYTI AND LIBERIA.

If any good reason exists why we should persevere longer in withholding our recognition of the independence and sovereignty of Hayti and Liberia, I am unable to discern it. Unwilling, however, to inaugurate a novel policy in regard to them without the approbation of Congress, I submit for your consideration the expediency of an appropriation for maintaining a Charge d'Affaires near each of those new States. It does not admit of doubt that important commercial advantages might be secured by favorable treaties with them.

THE TAKING UP OF THE NATIONAL LOAN.

The operations of the Treasury during the period which has elapsed since your adjournment have been conducted with signal success. The patriotism of the people has placed at the disposal of the government the large means demanded by the public exigencies. Much of the national loan has been taken by citizens of the industrial classes, whose confidence in their country's faith, and zeal for their country's deliverance from its present peril, have induced them to contribute to the support of the government the whole of their limited acquisitions. This fact imposes peculiar obligations to economy in disbursement and energy in action.

THE REVENUE MARKETS TO DATE.

The revenue from all sources, including loans, for the financial year ending on the 30th of June, 1861, was eighty-six millions eight hundred and thirty-five thousand nine hundred dollars and twenty-seven cents, and the expenditures for the same period, including payments on account of the public debt, were eighty-four millions five hundred and seventy-eight thousand and thirty-four dollars and seventy-seven cents, leaving a balance in the treasury on the 1st of July of two millions two hundred and fifty-seven thousand and sixty-five dollars and eighty cents. For the first quarter of the financial year ending on the 30th of September, 1861, the receipts from all sources, including the balance of July 1, were one hundred and two millions five hundred and thirty-two thousand five hundred and nine dollars and twenty-seven cents, and the expenses ninety-eight millions two hundred and thirty-three thousand seven hundred and thirty-three dollars and nine cents—leaving a balance on the 1st of October, 1861, of four millions two hundred and ninety-two thousand seven hundred and seventy-six dollars and eighteen cents.

THE ESTIMATES FOR THE FORTHCOMING YEAR, &c.

Estimates for the remaining three quarters of the year and for the financial year of 1862, together with his views of the ways and means for meeting the demands contemplated by them, will be submitted to Congress by the Secretary of the Treasury. It is gratifying to know that the expenses made necessary by the rebellion are not beyond the resources of the loyal people, and to believe that the same patriotism which has thus far sustained the government will continue to sustain it till peace and union shall again bless the land.

THE STRENGTH OF THE UNITED STATES ARMY.

I respectfully refer to the report of the Secretary of War for information respecting the numerical strength of the army, and for recommendations having in view an increase of its efficiency and the well being of the various branches of the service entrusted to his care. It is gratifying to know that the patriotism of the people has proved equal to the occasion, and that the number of troops tendered greatly exceeds the force which Congress authorized me to call into the field. I refer with pleasure to those portions of his report which make allusion to the creditable degree of discipline already attained by our troops, and to the excellent sanitary condition of the entire army. The recommendation of the Secretary for an organization of the militia upon a uniform basis is a subject of vital importance to the future safety of the country, and is commended to the serious attention of Congress. The large addition to the regular army, in connection with the defection that has so considerably diminished the number of its officers, gives peculiar importance to his recommendation for increasing the corps of cadets to the greatest capacity of the Military Academy.

MILITARY CHAPLAINS FOR HOSPITALS RECOMMENDED.

By mere omission, I presume, Congress has failed to provide chaplains for the hospitals occupied by the volunteers. This subject was brought to my notice, and I was induced to draw up the form of a letter, one copy of which, properly addressed, has been delivered to each of the persons, and at the dates respectively named, and stated in a schedule containing also the form of the letter, marked A, and herewith transmitted. These gentlemen, I understand, entered upon the duties designated at the times respectively stated in the schedule, and have labored faithfully therein ever since. I therefore recommend that they be compensated at the same rate as chaplains in the army. I further suggest that general provision be made for chaplains to serve at hospitals as well as with regiments.

EFFICIENCY OF THE UNITED STATES NAVY.

The report of the Secretary of the Navy presents in detail the operations of that branch of the service, the activity and energy which have characterized its administration, and the results of measures to increase its efficiency and power. Such have been the additions by construction and purchase, that it may almost be said a navy has been created and brought into service since our difficulties commenced. Besides blockading our extensive coast, squadrons larger than ever before assembled under our flag have been put afloat, and performed deeds which have increased our naval renown.

A MORE PERFECT ORGANIZATION OF THE NAVY RECOMMENDED.

I would invite special attention to the recommendation of the Secretary for a more perfect organization of the navy, by introducing additional grades in the service. The present organization

is defective and unsatisfactory, and the suggestions submitted by the department will, it is believed, if adopted, obviate the difficulties alluded to and promote harmony and increase the efficiency of the navy.

THE VACANCIES ON THE BENCH OF THE SUPREME COURT.

There are three vacancies on the bench of the Supreme Court—two by the decease of Justices Daniel and McLean, and one by the resignation of Justice Campbell. I have so far forborne making nominations to fill the vacancies for reasons which I will now state. Two of the outgoing judges resided within the States now overrun by revolt. So that if successors were appointed in the same localities, they could not now serve upon their circuits, and many of the most competent men there probably would not take the personal hazard of accepting to serve even here upon the Supreme bench. I have been unwilling to throw all the appointments northward, thus disabling myself from doing justice to the South on the return of peace, although I may remark that to transfer to the North one which has heretofore been in the South would not, with reference to territory and population, be unjust.

THE WESTERN CIRCUIT TOO LARGE.

During the long and brilliant judicial career of Judge McLean his circuit grew into an empire all courts therein more than a nominal attendance—rising in population from one million four hundred and seventy thousand and eighteen in 1830, to six millions one hundred and fifty-one thousand four hundred and five in 1860. Besides this the country generally has outgrown our present judicial system. If uniformity was at all intended the system requires that all the States shall be accommodated with Circuit Courts, attended by Supreme Judges; while, in fact, Wisconsin, Minnesota, Iowa, Kansas, Florida, Texas, California and Oregon have never had any such courts. Nor can this well be remedied without a change of the system, because the adding of judges to the Supreme Court, enough for the accommodation of all parts of the country with Circuit Courts, would create a court altogether too numerous for a judicial body of any sort, and the evil of it be one that will increase as new States come into the Union. Circuit Courts are useful or they are not useful. If useful, no State should be denied them. If not useful, no State should have them. Let them be provided for all or abolished as to all.

MODIFICATIONS OF THE SUPREME COURT.

Three modifications occur to me, either of which I think would be an improvement upon our present system. Let the Supreme Court be of convenient number in every event.

Then, first, let the whole country be divided into circuits of convenient size, the Supreme Judges to serve a number of them, corresponding to their own number, and independent Circuit Judges be provided for all the rest.

Or, secondly, let the Supreme Judges be relieved from circuit duties and Circuit Judges provided for all the circuits.

Or, thirdly, dispense with Circuit Courts altogether, leaving the judicial functions wholly to the District Courts and an independent Supreme Court. REMEDY FOR THE PRESENT INCONVENIENCIES OF THE STATUTE LAWS.

I respectfully recommend to the consideration of Congress the present condition of the statute laws, with the hope that Congress will be able to find an easy remedy for many of the inconveniences and evils which constantly embarrass those engaged in the practical administration of them. Since the organization of the government Congress has enacted some five thousand acts and joint resolutions, which fill more than six thousand closely printed pages, and are scattered through many volumes. Many of these acts have been drawn in haste and without sufficient caution, so that their provisions are often obscure in themselves or in conflict with each other, or at least so doubtful as to render it very difficult for even the best informed persons to ascertain precisely what the statute law really is. It seems to me very important that these statute laws should be made as plain and intelligible as possible, and be reduced to as small a compass as may consist with the fullness and precision of the will of the legislature and the perpetuity of its language; these, well done, would, I think, greatly facilitate the labors of those whose duty it is to assist in the administration of the laws, and would be a lasting benefit to the people, by placing before them in a more accessible and intelligible form the laws which so deeply affect their interests and their duties.

THE ACTS OF CONGRESS TO BE CONDENSED INTO ONE OR TWO VOLUMES.

I am informed by some, whose opinions I respect, that all the acts of Congress, now in force and of a permanent and general nature, might be revised and rewritten so as to be embraced in one volume, or at least two volumes of ordinary and convenient size, and I respectfully recommend to Congress to consider the subject, and if my suggestion be approved, to devise some plan as to their wisdom shall seem most proper for the attainment of the end proposed.

CIVIL JUSTICE AS REVISED BY THE REBELLION.

One of the unavoidable consequences of the present insurrection is the entire suppression in many places of all ordinary means of administering civil justice by the officers, and in the forms of existing law. This is the case in whole or in part in all the insurgent States; and as our armies advance upon and take possession of parts of these States the practical evil becomes more apparent. There are no courts, nor officers to whom the citizens of other States may apply for the enforcement of their lawful claims against citizens of the insurgent States, and there is a vast amount of debt constituting such claims. Some have estimated it as high as two hundred millions of dollars, due in large part from insurgents, in open rebellion, to loyal citizens who are even now making great sacrifices in the discharge of their patriotic duty to support the government.

MILITARY COURTS TO BE TEMPORARILY ESTABLISHED.

Under these circumstances I have been urgently solicited to establish, by military power, courts to administer summary justice in such cases. I have thus far declined to do it, not because I had any doubt that the end proposed—the collection of the debts—was just and right in itself, but because I have been unwilling to go beyond the pressure of necessity in the unusual exercise of power. But the powers of Congress, I suppose, are equal to the anomalous occasion, and therefore I refer the whole matter to Congress, with the hope that a plan may be devised for the administration of justice in all such parts of the insurgent States and Territories as may be under control of this government, whether by a voluntary return to allegiance and order or by the power of our arms; this, however, not to be a permanent institution, but a temporary substitute, and to cease as soon as the ordinary courts can be re-established in peace.

SETTLEMENT OF CLAIMS AGAINST THE GOVERNMENT.

It is important that some more convenient means should be provided, if possible, for the adjustment of claims against the government, especially in view of their increased number by reason of the war. It is as much the duty of government to render prompt justice against itself, in favor of citizens, as it is to administer the same between private individuals. The investigation and adjudication of claims, in their nature, belong to the judicial department; besides it is apparent that the attention of Congress will be more than usually engaged, for some time to come, with great national questions. It was intended by the organization of the Court of Claims mainly to remove this branch of business from the halls of Congress; but while the court has proved to be an effective and valuable means of investigation, it, in a great degree, fails to effect the object of its creation, for

want of power to make its judgments final. Fully aware of the delicacy, not to say the danger, of the subject, I commend to your careful consideration whether this power of making judgments final may not properly be given to the court, reserving the right of appeal on questions of law to the Supreme Court, with such other provisions as experience may have shown to be necessary.

POSTAL REVENUE AND EXPENDITURES.

I ask attention to the report of the Postmaster General, the following being a summary statement of the condition of the department:

The revenue from all sources during the fiscal year ending June 30, 1861, including the annual permanent appropriation of seven hundred thousand dollars for the transportation of free mail matter, was nine million forty-nine thousand two hundred and ninety-six dollars and forty cents, being about two per cent less than the revenue for 1860. The expenditures were thirteen millions six hundred and six thousand seven hundred and fifty-nine dollars and eleven cents, showing a decrease of more than eight per cent, as compared with those of the previous year, and leaving an excess of expenditures over the revenue for the last fiscal year of over five hundred and fifty-seven thousand, four hundred and sixty-two dollars and seventy-one cents. The gross revenue for the year ending June 30, 1862, is estimated at an increase of four per cent on that of 1861, making eighty-eight millions six hundred and eighty-three thousand dollars, to which should be added the earnings of the department in carrying free matter, viz: Seven hundred thousand dollars, making nine millions three hundred and eighty-three thousand dollars. The total expenditures for 1862 are estimated at twelve millions five hundred and twenty-eight thousand dollars, leaving an estimated deficiency of three million one hundred and forty-five thousand dollars to be supplied from the Treasury, in addition to the permanent appropriation.

VIRGINIA PORTION OF THE DISTRICT OF COLUMBIA.

The present insurrection shows, I think, that the extension of this District across the Potomac river, at the time of establishing the capital here, was eminently wise, and consequently that the relinquishment of that portion of it which lies within the State of Virginia was unwise and dangerous. I submit for your consideration the expediency of retaining that part of the District and the restoration of the original boundaries thereof, through negotiations with the State of Virginia.

DEPARTMENT OF THE INTERIOR.

The report of the Secretary of the Interior, with the accompanying documents, exhibit the condition of the several branches of the public business pertaining to that department. The depressing influences of the insurrection have been especially felt in the operations of the Patent and General Land Offices. The cash receipts from the sales of public lands during the past year have exceeded the expenses of our land system only about two hundred thousand dollars. The sales have been entirely suspended in the Southern States, while the interruptions to the business of the country and the diversion of large numbers of men from labor to military service have obstructed settlements in the new States and Territories of the Northwest.

PATENT OFFICE RECEIPTS DECLINED.

The receipts of the Patent Office have declined in nine months about one hundred thousand dollars, rendering a large reduction of the force employed necessary to make it self-sustaining.

PENSION OFFICE RECEIPTS DECLINED—REBELS TO BE STRUCK OFF THE LIST.

The demands upon the Pension Office will be largely increased by the insurrection. Numerous applications for pensions, based upon the casualties of the existing war, have already been made. There is reason to believe that many who are now upon the pension roll, and in receipt of the bounty of the government, are in the ranks of the insurgent army, or giving them aid and comfort. The Secretary of the Interior has directed a suspension of the payment of the pensions of such persons, upon proof of their disloyalty. I recommend that Congress authorize that officer to cause the names of such persons to be stricken from the pension roll.

INDIAN TROUBLES CAUSED BY THE REBELLION.

The relations of the government with the Indian tribes have been greatly disturbed by the insurrection, especially in the Southern Superintendency and in that of New Mexico. The Indian country south of Kansas is in possession of the insurgents from Texas and Arkansas. The agents of the United States, appointed since the 4th of March for this superintendency, have been unable to reach their posts, while the most of those who were in office before that time have espoused the insurrectionary cause, and assume to exercise the powers of agents by virtue of the commission from the insurgents. It has been stated in the public press that a portion of these Indians have been organized as a military force, and are attached to the army of the insurgents. Although the government has no official information upon the subject, letters have been written to the Commissioner of Indian Affairs, by several prominent chiefs, giving assurance of their loyalty to the United States, and expressing a wish for the presence of the federal troops to protect them. It is believed that upon the repose-son of the country by the federal forces the Indians will readily cease all hostile demonstrations and resume their former relations to the government.

BUREAU OF AGRICULTURE RECOMMENDED.

Agriculture, confessedly the largest interest of the nation, has not a department nor a bureau, but a clerkship only assigned to it in the government. While it is fortunate that this great interest is so independent in its nature as not to have demanded and extorted more from the government, I respectfully ask Congress to consider whether something more cannot be given voluntarily with general advantage. Annual reports exhibiting the condition of our agriculture, commerce and manufactures, would present a fund of information of great practical value to the country. While I make no suggestion as to details, I venture the opinion that an agricultural and statistical bureau might profitably be organized.

SLAVE TRADE REPORT.

The execution of the laws for the suppression of the African slave trade has been confided to the Department of the Interior. It is a subject of congratulation that the efforts which have been made for the suppression of this inhuman traffic have been recently attended with unusual success. Five vessels being fitted out for the slave trade have been seized and condemned. Two mates engaged in the trade, and one person in equipping a vessel as a slave, have been convicted and subjected to the penalty of a fine and imprisonment, and one captain, taken with a cargo of Africans on board his vessel, has been convicted of the highest grade of offence under our laws, the punishment of which is death.

THE NEW TERRITORIES IN THE WEST.

The Territories of Colorado, Dakota and Nevada, created by the last Congress, have been organized, and civil administration has been inaugurated therein under auspices especially gratifying. When it is considered that the heaven of treason was found existing in some of these new countries when the federal officers arrived there. The abundant natural resources of these Territories, with the security and protection afforded by organized government, will doubtless invite to them a large immigration when peace shall restore the business of the country to its accustomed channels. I submit the resolutions of the Legislature of Colorado, which evidence the patriotic spirit of the people of the Territory. So far the authority of the United States has been upheld in all the Territories, as it is hoped it will be in the future. I commend their virtues and defence to the enlightened and generous care of Congress.

INTERESTS IN THE DISTRICT OF COLUMBIA TO BE CONSIDERED.

I recommend to the favorable consideration of Congress the interests of the District of Columbia. The insurrection has been the cause of much suffering and sacrifice to its inhabitants; and as they have no representative in Congress that body should not overlook their just claims upon the government.

THE EXHIBITION OF INDUSTRY OF 1862.

At your late session a joint resolution was adopted authorizing the President to take measures for facilitating a proper representative of the industrial interests of the United States at the Exhibition of the Industry of All Nations, to be held at London in the year 1862. I regret to say I have been unable to give personal attention to this subject—a subject at once so interesting in itself and so extensively and intricately connected with the material prosperity of the world. Through the Secretaries of State and of the Interior a plan or system has been devised and partly matured which will be laid before you.

COLONIZATION OF EMANCIPATED SLAVES.

Under and by virtue of the act of Congress, entitled "An Act to Confiscate Property used for Insurrectionary Purposes," approved August 6, 1861, the legal claims of certain persons for labor and service of certain other persons have become forfeited, and numbers of the latter thus liberated are already dependent on the United States and must be provided for in some way. Besides this, it is not impossible that some of the States will pass similar enactments for their own benefits respectively, and by the operation of which persons of the same class will be thrown upon them for disposal. In such case I recommend that Congress provide for accepting such persons from such States, according to some mode of valuation, in lieu of direct taxes, or upon some other plan to be agreed on with such States respectively that such persons, on such acceptance by the general government, be at once deemed free; and that in any event steps be taken for colonizing both classes, or the one first mentioned, if the other shall not be brought into existence, at some place or places in a climate congenial to them. It might be well to consider, too, whether the free colored people already in the United States could not, so far as individuals may desire, be included in such colonization. To carry out the plan of colonization may involve the acquiring of territory, and also the appropriation of money beyond that to be expended in the territorial acquisition. Having practised the acquisition of territory for nearly sixty years the question of constitutional power to do so is no longer an open one with us. The power was at first questioned by Mr. Jefferson, who, however, in the purchase of Louisiana, yielded his scruples on the plea of great expediency. If it be said that the only legitimate object of acquiring territory is to furnish homes for white men this measure effects that object, for the emigration of colored men leaves additional room for white men remaining or coming here. Mr. Jefferson, however, placed